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C O N F I D E N T I A L TOKYO 003508

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TAGS: [PGOV](#) [ECON](#) [MARR](#) [JA](#)  
SUBJECT: 164TH DIET SESSION CONCLUDES WITH MUCH UNDONE

REF: A. TOKYO 3481

[1](#)B. TOKYO 3078

[1](#)C. TOKYO 3210

Classified By: Ambassador J. Thomas Schieffer. Reasons 1.4 (b/d).

[1](#)1. (SBU) Summary. The 164th Diet session closed on June 18, leaving many in Tokyo unsatisfied. Scandals, a change in the opposition's Diet management style and a Prime Minister determined to finish the session on time left many high-profile bills related to history and national identity in the pipeline. Prime Minister Koizumi's decision to close the session after 150 days surprised many in Nagatacho, and stirred up media criticism that the LDP-Komeito ruling coalition was putting party interests over national ones. Koizumi's eagerness to turn to foreign policy issues and desire to avoid contentious question and answer sessions were offered by Tokyo Embassy contacts as possible reasons for the decision not to extend the session. This message recaps the status of security and foreign policy-related bills considered in this Diet session. Ref A reports on economy-related bills, involving administrative reform, tax reform and medical reform. End Summary.

Grade: Okay But Not Great

[1](#)2. (SBU) As the 164th Diet session drew to a close on June 18, many in Tokyo remained unsatisfied. Expectations had been high earlier in the year that the unprecedented super majority enjoyed by the ruling coalition would translate into a particularly productive Diet session. However, the eye-catching, ambitious docket presented by the coalition at the beginning of the session in January became victim to scandals, coalition reluctance to ram through bills and a distracted Prime Minister. This was Prime Minister Koizumi's last Diet session, his last chance to cement his reforms, and his last salvo against the "powers of resistance." While he did pass his centerpiece package of administrative reforms, other contentious bills related to history and national identity were left for the future.

[1](#)3. (SBU) Numerous scandals plagued both the Liberal Democratic Party (LDP) and opposition Democratic Party of Japan (DPJ) and slowed Diet business for over a month early in the year. DPJ President Seiji Maehara's resignation in late March and the subsequent election of Ichiro Ozawa to succeed Maehara changed the ground rules for coalition-opposition discussion. Suddenly, the DPJ was unwilling to coordinate on issues like the constitutional

referendum and education bills, leaving the coalition to remake its Diet management strategy. Left with the choice of unilaterally ramming through highly contentious bills -- and leaving itself open to blame if the bills prove unsuccessful -- or shelving them, the coalition opted for putting them off.

#### Why No Extension?

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14. (SBU) With the media complaining that the coalition seemed to be putting party interests over national ones, why did the coalition not resort to the tried and true tactic of Diet extension? Many bureaucrats and politicians claim that Koizumi already had his sights set on foreign policy initiatives for the summer. He wanted to ensure that topics such as beef that might come up during his summit with President Bush did not get raised in the Diet. Others pointed to the G-8 summit in July.

15. (C) Koizumi's refusal to consider a Diet extension has flummoxed some senior members of his own LDP. Social security reform, a bill to facilitate organ transplants, and a bill to improve Japan's birthrate (all important social issues) were left in the pipeline. Asked if Koizumi is troubled that he did not get many high-profile bills passed, Nikkei political reporter Hiroaki Ito told us in mid-June that Koizumi is simply looking forward to the end of the Diet session. Former Prime Minister Mori relayed to Embassy Tokyo's Political Minister that Koizumi would rather end the Diet session on schedule than have to go through the very contentious question and answer sessions for the other bills. Ito agreed that Koizumi was satisfied with passing the administrative reform bill and was not wedded to passing the others.

#### Status of Bills

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16. (C) The ruling coalition passed 84 of the 94 bills that were considered this session. Compared to years past -- 84 percent passed last year before the lower house dissolution, 95 percent in 2004 and 98 percent in 2003 -- the coalition has done okay, but not as well as would be expected with the unprecedented ruling coalition super majority in the Lower House. Economy-related bills, including administrative reform, tax reform and medical reform are discussed in Ref A.

---North Korea Human Rights Bill: Passed. This joint coalition-opposition bill provides financial and other assistance to aid North Korean refugees. The bill also contains a clause calling for financial sanctions on Pyongyang in the event of its failure to resolve the abduction issue.

--Cancer Bill: Passed. The bill focuses on improving the medical system and care for cancer patients. An unexpected addition to the docket, the coalition and opposition cooperated to introduce and pass the bill. The bill needed only one week to pass both Houses, in part because DPJ Upper House member Takashi Yamamoto, a cancer patient himself, pushed hard for the bill.

---Law to prevent government office-led bid rigging: Carried over to the fall. Lower House Committee on Economy, Trade and Industry will discuss it over the recess. This would strengthen and expand penalties on public servants who are directly involved in bid rigging.

---Conspiracy law (Ref B): Carried over to the fall (the only one of three bills carried over from 2005 that was not passed) by the Lower House Judicial Affairs Committee. A Nikkei reporter tells us that the Conspiracy Law (actually an amendment to the Anti-Organized Crime Law) will likely top the extraordinary Diet session's agenda this fall. The Law would bring Japan into compliance with the 2000 UN Convention Against Transnational Organized Crime and enable Japan to join other countries in cracking down on cross-border crimes

such as terrorism and drug and human trafficking.

---Bill to upgrade the JDA to a ministry: Carried over to the fall. This bill would enable the JDA, currently an external organ of the Cabinet Office, to establish ordinances and submit proposals at Cabinet meetings. Komeito had been reluctant to support the bill because of the scandal-ridden DFAA but a Komeito contact assures us that, with the punishment of DFAA and other JDA officials, Komeito is fully behind the bill. The DPJ supports the concept of an upgrade but would prefer more discussion. The coalition's submission of the bill on June 9 is the closest the concept has come to reality.

---Basic Education Law Amendment: Carried over by the Lower House Special Committee on the Basic Education Law. Amendment would incorporate "feeling of love toward the country" as an educational ideal.

---Referendum bill: Carried over by the Lower House Special Research Committee on the Constitution. The legislation would regulate procedures for national referendum for constitutional revisions. The coalition is still ironing out the details on issues such as the minimum voting age and the role of the media.

---Geospatial Information Systems Bill: (Ref C) Carried over by the Lower House Cabinet Committee. The bill would establish support for a national database for satellite remote sensing data to be used for civil purposes and also support for the promotion of satellite based position, navigation and timing systems. The bill has wide support and is expected to pass in the fall.

---Bills to promote USFJ realignment: Cabinet approved the bill in May, submission likely in the fall. A set of bills that would provide financial assistance to local governments that will shoulder a greater burden due to the realignment.

---Bill to Lift Restrictions on "Peaceful Use of Space": (Ref C) Not submitted this session. The bill, initiated by the LDP, would enable Japan to build higher resolution E satellites and to use communication satellites for defensive purposes. Political and bureaucratic resistance to the bill is strong and its submission to the fall session remains questionable.

---Imperial House Law amendment: Not submitted this session. Bill would allow a ruling empress or an emperor of matrilineal descent. Shelved indefinitely in response to Princess Kiko's announcement in February that she is expecting a child.

Comment

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17. (C) It was clear that pundits and political analysts were keeping one eye on the conclusion of the Diet session but that their minds were already on the LDP presidential election. When asked about domestic politics, most contacts immediately launched into an analysis of the upcoming LDP presidential election. Gaming out the strategies for possible contenders and second-guessing the loyalties of the LDP freshmen, the election quickly eclipsed the Diet session as the most high-profile political issue of the year so far.

18. (C) Although criticism that the coalition left too many bills unattended is strong, we expect the LDP presidential election to prove distracting enough to keep any dissatisfaction on the public's part to a minimum before the extraordinary Diet session opens in the fall. The LDP-Komeito coalition will remain open to negotiation with the DPJ on a variety of issues, but we expect the DPJ to adopt a confrontational attitude, which will make compromise difficult on issues of interest to the United States, such as the Conspiracy Law and bills on realignment.  
SCHIEFFER